Approved For Release 2007/02/07 : CIA-RDP78-01617A006000040025-1

TOP SECRET

780

GINERAL

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1. Prompt tripartite agreement on Italian colonies sought—
The UK Foreign Office has informed US Ambassador Douglas of the British-French belief that prompt three-power agreement on the Italian colonies is desirable in order to secure Italian consent and cooperation in securing favorable votes in the UN. The UK and France favor: (a) Italian trusteeship for Somaliland; (b) cession of the Danakil coast to Ethiopia and postponement on the rest of Eritrea; (c) British trusteeship for Cyrenaica and French trusteeship for the Fezzan; and (d) postponement on Tripolitania, during which period the UK would work toward eventual Italian trusteeship. Douglas comments that the British, who fear an unfavorable UN vote concerning retention of Cyrenaica by the UK, hope by this policy to obtain any votes the Italians and French can swing.

(CIA Comment: Although the Italian Government would be receptive to this proposal, it would fear possible adverse public reaction on the score that the Government was helping the British without advantage to Italy.)

25X1

2. US prefers Norway for SC vacancy—The Department of State has informed US Embassy Oslo that the US considers Norway the best choice to succeed Belgium in the Security Council.

The Department considers it desirable for the Belgium seat to pass to a western or northwestern European nation. US Embassy Oslo is instructed, if Norwegian officials are reluctant to accept the responsibility, to stress the duty of states such as Norway to undertake UN obligations.

DIA review(s) completed.

State Dept. review completed

NAVY review(s) completed.

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TOP SECRET

EUROPE

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3. FRANCE: General strike leared -- US Consul Christensen at Marseille has been reliably informed that a Communistinspired strike of port and dock workers is scheduled to begin 6 September. He expresses the fear that this may be a prelude to a general strike. Meanwhile, US Ambassador Caffery observes that the increasing number of work stoppages and demonstrations for higher wages have sometimes been joint affaire staged by the Catholic labor groups, the Communistiled General Confederation of Labor, and the non-Communistiforce Ouvriere' (FO). Caffery adds that because of the "widespread drive" for higher wages FO leadership is frequently unable to control local unions.

(CIA Comment: CIA believes that substantial wage increases will have to be granted in order to stave off nation-wide strikes, even though any French government which grants labor's demands will face defection by its Rightist support and will weaken its own financial stabilization plin.)

FAR EAST

25X1

4. INDONESIA: Possible military action imminent—The US
Naval Liaison Officer in Batavia considers that because
the Indonesians have lost faith in the power of the UN to procure a just settlement with the Dutch, large scale guerrilia
action by the Republic is "almost a certainty" in the near
future. He believes that in this event, the Dutch military
force would be given carte blanche to suppress it.

(CIA Comment: CIA believes that although this danger must be considered, the Indonesian Republic will not initiate guerrilla action until current negotiations have definitely failed.)